

Galax City Council  
Minutes  
June 9, 2014

Galax City Council convened in regular session in City Council Chambers on June 9, 2014 at 7:30 p.m.

At 7:30 p.m. Mayor Mitchell called the meeting to order with the following council persons present and they are as listed: Mayor Mitchell, Vice Mayor Greene, Councilman Garner, Councilman Webb, Councilwoman Crouse and Councilwoman Plichta. Councilman Lazo was absent.

Councilwoman Plichta prayed the opening prayer and led the Pledge of Allegiance.

Special recognition was given by Mayor Mitchell and City Council honoring the memory of Anna (Ann) Boyer, a Rex Theater volunteer who passed away recently. Ray Kohl, Tourism Director was present to unveil a plaque honoring Ann for her service. Ann was a regular volunteer at the Rex Theater and spent many years working at promoting the theater and Galax. A recent memorial service was held at the Theater in honor of Ann and the plaque shown at the Council meeting will be displayed at the Rex Theater.

Councilman Webb made the motion to approve the minutes of the regular meeting on May 27, 2014. Vice Mayor Greene seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell -yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb -yea, and Councilwoman Crouse -yea, and Councilwoman Plichta.

Mayor Mitchell informed Council that this was the date and time advertised for a public hearing to receive comments on a rezoning request from Sheetz, Inc. Keith Barker explained that they have requested that a portion of 1084 E. Stuart Drive (Tax Parcel 19-9, 10) be rezoned from RMH – Mobile Home Park to B-2 General Business with the intent of constructing and operating a new Sheetz convenience store. Mr. Barker also noted while the front of the property was zoned B-2 General Business, the rear portion still carried an RMH - Mobile Home Park designation. He told Council that their desire was the entire portions of the property they would occupy carry the B-2 General Business designation. Tony Foderaro, who is with the real estate department for Sheetz Inc., spoke in favor of Sheetz coming to Galax. He told Council that the store was family owned, it was founded in 1952, and that their mission was to provide fast, friendly service, and to provide clean & convenient locations. Also addressing Council on behalf of Sheetz, Inc. was Mark Johnson, with LE & D Professionals, and Bob Johnson, and attorney representing the store. Both also spoke in favor of the Sheetz store being built in Galax. Keith Barker told Council that the Planning Commission met on June 4, 2014 to discuss the rezoning request. He explained that it was their recommendation to approve the rezoning request for Sheetz, Inc. After there were no further comments, Mayor Mitchell declared the hearing closed. Vice Mayor Greene made the motion to approve the rezoning request. Councilman Webb seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Mayor Mitchell announced to Council that this was the date set for City Council to consider approval of the Galax FY2015 budget. He told Council that as discussed in previous meetings, there were no proposed tax or fee increases as part of the budget. He then told what the budget amounts were:

- General Fund Budget (including DSS) - \$20,371,822
- Utility Fund Budget - \$ 2,661,490

Proposed tax rates represent no change in our current rates and remain at:

- Real Estate - \$0.69 per \$100 (no change)
- Personal Property - \$2.25 per \$100 (no change)
- Machinery & Tools - \$1.50 per \$100 (no change)

Mayor Mitchell commended City Manager, Keith Barker and Finance Director, Judy Taylor-Gallimore for all of their work on the Galax FY2015 budget. He noted that it will be appropriated at the July 2014 meeting. Councilman Garner made the motion to approve the budget as presented. Councilwoman Crouse seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

This was the advertised date for the Galax City Schools budget. Mayor Mitchell opened the public hearing and welcomed Mr. Bill Sturgill, Galax Schools Superintendent, who came forward to address Council briefly regarding the budget. Mr. Barker noted that the budget, if approved, can then be appropriated at the July meeting. Mayor Mitchell announced if there were no further comments, he declared the public hearing closed. Vice Mayor Greene made the motion to approve the budget. Councilwoman Plichta seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Mayor Mitchell announced that this was the advertised date for the Galax Stormwater Ordinance public hearing. He opened the public hearing and asked Keith Barker to address Council regarding the Galax Stormwater Ordinance. Mr. Barker told Council that Galax was not required to adopt a stormwater ordinance, however if we elected not to do so, all stormwater projects within the City would be managed by DEQ. He noted that it was staff recommendation to adopt the ordinance as provided, however to postpone collection of the Equivalent Residential Unit fee (ERU) until such time as Council would include that within the budget. He said that if the ordinance is approved with no amendments, the effective date could be set for July 1, 2014. With no further comments, Mayor Mitchell declared the public hearing closed. Councilwoman Crouse made the motion to approve the ordinance. Councilman Garner seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Mayor Mitchell announced to Council that this was the advertised date for the public hearing for consideration of the regional enterprise zone designation that would provide a joint zone for Galax, Carroll and Grayson. After opening the hearing, Ken McFadyen briefly spoke to Council regarding the proposed Enterprise Zone. A packet was given to Council prior to the public hearing which contained the map representing the proposed Enterprise Zone in Galax; which included new areas along E. Stuart Drive and the area surrounding Albany-Galax, LLC. Mr. McFadyen told Council that the joint area with Carroll was on the easternmost portion of E. Stuart Drive and the joint area with Grayson included the former Hampton property, which would require us to amend our current Enterprise Zone if the regional application was approved. Mr. McFadyan also explained that the

existing Enterprise Zone areas current serving Galax would remain until our application expires in 2017. He noted that at that time we could consider amending our Enterprise Zones to include the existing areas; however our total Enterprise Zone area cannot exceed 1 square mile and three (3) separate areas in the City. After no further comments were made, Mayor Mitchell declared the hearing closed. Councilwoman Plichta made the motion to approve the Regional Enterprise Zone. Councilwoman Crouse seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Mayor Mitchell informed Council that there were several board or committee appointees that were expiring at the end of June, except for the Social Services Board which expires in August.

Mayor Mitchell explained that the **Crossroads Institute Board of Directors** had an upcoming vacancy. He said that he is not eligible for reappointment. Vice Mayor Greene had told Mayor Mitchell that he agreed to serve on this board representing the Galax City Council, if approved. Councilman Garner made the motion to appoint Vice Mayor Greene to serve on the Crossroads Institute Board of Directors. Councilwoman Crouse seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Keith Barker told Council that on the **Board of Zoning Appeals**, Ms. Fayma Nye's term was expiring. He noted that this was an appointee of the Circuit Court; however City Council would make the recommendation for the appointment. He also said that Ms. Nye expressed an interest in being reappointed. Councilwoman Plichta made the motion to reappoint Ms. Nye to the BZA. Councilman Webb seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Mayor Mitchell said that the **Recreation Board** had two board members whose terms were expiring. He noted that both Mr. Steven Archer and Mr. Larry Spangler were appointees to this board and were eligible for a second term reappointment. Mr. Archer and Mr. Spangler have both expressed interest in being reappointed. Councilman Garner made the motion to reappoint Steven Archer and Larry Spangler to the Recreation Board. Councilman Webb seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene - yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Mayor Mitchell told Council that the **Library Board** appointment was open due to Carol Morris not desiring to be reappointed. Mayor Mitchell said that 3 citizens of Galax had presented letters of interest. They included: Ms. Kathrine Jadow, Mr. Bill Suite, and Dr. Sam Luague. Councilwoman Crouse made the motion to appoint Dr. Sam Luague to the Library Board. Vice Mayor Greene seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Keith Barker explained to Council that the Galax Social Services Board appointments were represented by a City Council member and 4 citizen appointees. He said that all are expiring on August 31, and new appointments would need to be made. After a short discussion, it was agreed upon that a list would be presented at the next City Council meeting on July 14. These appointees have typically represented the medical fields, community service fields and would be a mix of our

citizen makeup. After a short discussion, it was agreed upon by Council, Keith Barker and Susan Clark, that a list would be presented at the next City Council meeting on July 14.

Mayor Mitchell told Council that Ms. Judy Taylor-Gallimore has asked to be removed from the Rooftop of VA CAP Board, but Mr. Tim Lewis had agreed to be placed on this board. Councilman Garner made the motion to appoint Mr. Tim Lewis, HR Director for City of Galax, to the Rooftop Board. Councilwoman Plichta seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Keith Barker told Council that they had been given prior to tonight's meeting, the *Articles of Dissolution* for Galax Futures. He noted that once this had approved and submitted to the SCC, a transfer of assets to the Galax IDA can be made and then approve the *Articles of Termination of Corporate Existence*. Councilman Webb made the motion to approve the *Articles of Dissolution* and authorize the City Manager to file the deeds of transfer for property to the Galax IDA. Vice Mayor Greene seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Keith Barker addressed Council regarding the State Budget Impasse. Mr. Barker explained that he had spoken with or attempted to contact our legislators over the state budget impasse and he said that at that point he was not confident in a resolution over this issue. He went on to explain that with the failure of a state budget, a number of state services would be halted and local revenues would not be provided from the state treasurer. Services that may not be provided include courts, magistrates, probation, juvenile probation, state police, DEQ, etc. Revenue not provided would include sales tax, VDOT funds, court fines, 599 funds (police), DSS reimbursement, etc.

Mr. Barker said that the City had reserves in place to accommodate operations for 30 days with no change in services. He also said that in order to extend our operations beyond 30 days we would need to seek a revenue anticipation note, or develop a plan that provides essential services only for a longer period of time and if we are to function (with reduced services) longer than 60 days without a state budget, we would need to seek a revenue anticipation note.

Keith Barker said that he has spoken with our City Attorney and some localities that they have been working with have been able to receive a revenue anticipation note for less than 1% annual interest. He said that it was feasible that we could seek a \$4,000,000 note for under \$30,000 in interest charges for 6 months or so. He said that repayment would occur as soon as state revenue was reestablished, which would possibly reduce this amount even more. Mr. Barker told Council that this would make it possible to continue to provide services at the same level with reduced impact to our citizens or employees. We would also move to restrict capital purchases and projects as much as possible, however some projects with contractors (Shaw St. Storm Drainage) would have to proceed to remain under contract.

Mr. Barker noted that in regards to an option to reduce or cease some services in lieu of a revenue anticipation note, he said that he has met with our Department Heads and had been working on a contingency plan for operations if no state budget was received. He said that the plan would seek to maintain and provide services that are essential – in this case water, sewer, sanitation, police protection (reduced), fire, EMS, E-911. We would consider reducing or ceasing a number of local services identified as “non-essential” and functions that are “state funded” until a state budget was passed and revenues are received. “Non-essential” functions would include items such as Recreation, Parks, Golf Course, Tourism, Rex Theater, etc. “State Funded” items would include DSS, Commissioner of Revenue, Registrar and Public Works in regards to street maintenance (repairs & mowing). Mr. Barker said that other departments within the City would be reduced as needed to seek cost savings as needed until a budget is passed and revenue is restored.

Mr. Barker said that he had asked each Department Head to work on a plan within their department for essential services that we are mandated to provide. To reduce costs we would have to consider furloughs of staff for non-essential functions, or reduced staff for particular shifts, changes in on-call, delayed inspections, etc.

Mr. Barker asked that Council would authorize Judy Taylor-Gallimore, Director of Finance, to seek quotes for a revenue anticipation note. This would allow consideration of a bond at the July 14, 2014 City Council meeting or at a called meeting immediately after July 1. Also noting that we cannot receive funds from a loan until after July 1 per Code of Virginia 15.2-2629.

He then said that if Council did not wish to consider a bond at this time, he would ask that Council consider setting June 23, 2014 as a called meeting for consideration of a plan of operations in the event there was no state budget by July 1. He said that we would then need to consider what services we provide and to what extent they were provided.

Mr. Barker lastly added that our hope was that these efforts were simply a planning exercise and no final action would need to take place.

Councilman Garner made the motion to direct the Director of Finance, Judy Taylor-Gallimore, to seek loan quotes for a Revenue Anticipation Loan for FY2015. Councilwoman Plichta seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Chris Pollins-Shackelford, CCSA Director, was in attendance to discuss their current fiscal year budget and their revenue shortfall (\$16,000+/-). Ms. Pollins-Shackelford said that the request was that the City would close the gap on the shortfall so that CCSA does not start the year with a deficit. Keith Barker told Council that if they chose to consider the request, then the FY2014 budget would need to be amended. He explained that funds could be transferred as follows:

**From:**

|                                    |          |
|------------------------------------|----------|
| 10.9102.5600 Economic Development  | \$ 6,000 |
| 10.9900.1135 Recreation Center Bus | \$ 3,500 |
| 10.9900.1140 Contingency           | \$ 6,500 |

**To:**

|                               |                                  |
|-------------------------------|----------------------------------|
| 10.7202.5698 Transfer to CCSA | \$141,000 (increase of \$16,000) |
|-------------------------------|----------------------------------|

Councilwoman Plichta made the motion to accept the request. Councilwoman Crouse seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Keith Barker explained that Judy Taylor-Gallimore, Director of Finance, had requested a budget amendment for the FY2014 current fiscal year. He said that the amendment reflected adjustments of expenditures to cover costs experienced within certain line items and recognized revenue from an additional grant. He noted that the overall amendment was less than 1% and did not require a public hearing. He added the amendments were:

**From:**

|  |          |
|--|----------|
| 10.8202.6007 Landfill Repair & Maintenance | \$11,876 |
| 10.9950.1543 Misc. Grant Match             | \$15,000 |

**To:**

|  |           |
|--|-----------|
| 10.9402.7001 Carroll Co. Shared Services | \$ 25,215 |
| 10.9402.7002 Grayson Co. Shared Services | \$1,661   |

**Add'l. Revenue** – 10.3240.0335 Local Emergency Mgmt. Performance Grant \$ 7,500

**To:** 10.3101.1001 Police Department Salary \$ 7,500

Councilwoman Crouse made the motion to accept the FY2014 Budget Amendment. Vice Mayor Greene seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Keith Barker told Council that BRCEDA and Ken McFadyen, Executive Director, have been working to secure a bond for the road project at Wildwood. He said that while this was VDOT funding through their Access Road Fund, VDOT required a bond in the amount equivalent to the funding. He noted that Mr. McFadyen has worked with VML/VACO and other groups to secure a bond, however it appeared that the best avenue to seek a bond was through the retrieval of funds from the CGG Solid Waste Authority. Mr. Barker explained to Council that Mr. McFadyen has met with that group at their May meeting and the Authority had agreed to refund \$110,000 to each locality which would then be directed to BRCEDA. BRCEDA would then secure a line of credit at Grayson National Bank for the 5-year bond. Mr. Barker told Council that a draft copy of the letter directing the CGGSWA to return a portion of funds to the locality was provided for Council to review. Councilman Garner made the motion to accept the request. Councilman Webb seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

Keith Barker told Council that as they were aware, part of our budget changes for FY2015 were based on changing of prosecution services from a private firm to the Grayson County Commonwealth Attorney's Office. Mr. Vaught had asked that City Council make the appointment official with a July 1, 2014 effective date. He noted that Sands Anderson would continue to represent the City on governmental items. Councilwoman Plichta mad the motion to appoint the Grayson County Commonwealth Attorney's Office as the prosecution services for the City of Galax General District Court, with an effective date of July 1, 2014. Councilwoman Crouse seconded the motion. It was approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

\* Councilman Garner abstained from voting due to a business interest.

Mayor Mitchell informed Council that the City Council has been asked to appoint Daniel Riegel, GIS/Zoning Administrator, as the Zoning Administrator for Galax. He noted that the Galax City Code Section 160-161 required City Council to make this appointment. It was noted that Keith Barker would continue to assist Daniel during this transition period. Councilwoman Crouse made the motion to appoint Daniel Riegel as the Zoning Administrator for the City of Galax. Vice Mayor Greene seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

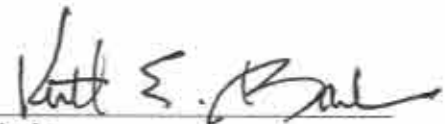
Council was reminded of the called meeting on Monday, June 16, 2014 at 12:00 p.m. for the public hearing on the proposed VML/VACO loan for the Police, Veterans, and Health Department Projects.

At 8:35 p.m., a motion was made by Councilwoman Plichta to enter into closed session under **Code of Virginia Section 2.2-3711-A3**. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body. Councilwoman Crouse seconded the motion and it was unanimously approved by the following votes: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

At 8:50 p.m., Council reconvened in open session. Mayor Mitchell certified that no items other than those allowed under the cited Virginia code section were discussed and no action taken, with the following affirmation: Mayor Mitchell-yea, Vice-Mayor Greene -yea, Councilman Garner -yea, Councilman Webb, Councilwoman Crouse - yea, and Councilwoman Plichta- yea.

ADJOURNMENT at 8:50 p.m.

  
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Mayor

  
\_\_\_\_\_  
Clerk

